

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|-----------------------------|---|-----------------|
| PADUCAH AIRPORT CORPORATION |) | |
| COMPLAINANT |) | |
| |) | |
| VS. |) | |
| |) | CASE NO. 92-345 |
| JACKSON PURCHASE ELECTRIC |) | |
| COOPERATIVE CORPORATION |) | |
| DEFENDANT |) | |

O R D E R

This matter arises upon the complaint of Paducah Airport Corporation ("PAC") against Jackson Purchase Electric Cooperative Corporation ("Jackson Purchase"). PAC requests that Jackson Purchase be granted a deviation from 807 KAR 5:041, Section 9(2), which prohibits a utility from combining several meter readings into one reading for billing purposes. PAC filed its complaint on August 13, 1992. Jackson Purchase answered the complaint on September 2, 1992. Both parties have waived any hearing in this matter and requested a decision based upon the existing record. Finding that the requested relief is contrary to Commission Regulation 807 KAR 5:041, Section 9(2), and that PAC has failed to demonstrate good cause for permitting a deviation from that regulation, we deny.

PAC is a non-profit corporation which operates Barkley Regional Airport in Paducah, Kentucky. Jackson Purchase provides electric service to the airport through 17 separate meters. This arrangement resulted from the piecemeal enlargement of the airport over a 50

year period. As a result of its most recent expansion, which required the installation of the seventeenth meter, PAC estimates its annual cost of electricity to be approximately \$56,000. PAC is presently billed on three different commercial rate schedules. One of these rate schedules includes demand charges. The others do not.

PAC proposes that its monthly meter readings be combined for billing purposes and that it be billed at the least costly rate under Jackson Purchase's three commercial rate schedules. PAC estimates that its proposal would reduce its annual cost of electricity by approximately \$13,500, or 24 percent. Aside from the savings which it would achieve, PAC has advanced no reason for the requested relief.

Jackson Purchase does not oppose the requested relief. It has noted that PAC, with its multiple metering points, is a unique customer on Jackson Purchase's system. Jackson Purchase states that its rates are based on its cost to serve a class of customers. It concedes that it has not performed any analysis of its cost to serve PAC and contends that it would not be practical to calculate the cost to serve an individual customer. Finally, Jackson Purchase states that PAC's metering proposal would require a special billing procedure and that it should be compensated for the costs associated with this special procedure.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. Commission Regulation 807 KAR 5:041, Section 9(2), requires an electric utility to regard each point of delivery as an independent customer and meter the power delivered at each point.

2. PAC's requested relief is contrary to Commission Regulation 807 KAR 5:041, Section 9(2), insofar as it would consolidate several meter readings into one reading for billing purposes.

3. PAC's requested relief is flawed insofar as it would permit PAC to be billed at a demand-metered rate when only 3 of its 17 meters record demand.

4. Absent unusual or compelling circumstances, a deviation such as that requested in this instance cannot be granted without cost support or other evidence which demonstrates that Jackson Purchase will recover its costs under PAC's billing proposal.

5. No evidence has been presented to demonstrate that the revenues produced under PAC's billing proposal will be sufficient to cover the cost incurred by Jackson Purchase to provide PAC with electric service.

6. PAC has failed to demonstrate that good cause exists to permit or require Jackson Purchase to deviate from Commission Regulation 807 KAR 5:041, Section 9(2), when providing electric service to PAC.


7. Given the size of its load and its multiple metering points, PAC is a unique customer on Jackson Purchase's system and may merit a billing procedure which differs from that of other Jackson Purchase customers. The parties should consider the use of

a special contract rate which includes a customer charge equal to the sum of PAC's current customer charges and an energy rate which covers all demand and energy costs which PAC places on Jackson Purchase's system.

IT IS THEREFORE ORDERED that PAC's complaint is dismissed with prejudice.

Done at Frankfort, Kentucky, this 9th day of December, 1992.

PUBLIC SERVICE COMMISSION


Vice Chairman


Commissioner

Chairman George E. Overbey did not participate in this decision.

ATTEST:


Executive Director